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FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8357
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L JERUSALEM 001453

SIPDIS

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NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/SHAMPAINE/BELGRADE; NSC FOR ABRAMS/WATERS;
TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON

E.O. 12958: DECL: 05/10/2017

TAGS: ECPs EFIN PGOV PREL KWBG IS

SUBJECT: UPDATE ON PALESTINIAN MOBILE TELECOM TENDER - GOI
FREQUENCY ALLOCATION WOULD BRING USD 355 M TO PA TREASURY

REF: JERUSALEM 504

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

¶1. (C) Gulf-owned mobile provider Wataniya Telecom, which won the second mobile telecom operator license in the West Bank/Gaza on September 18, 2006, continues to wait for a frequency to be allocated by the GOI (see reftel) before it can commence operations, according to PLO Negotiations Support Unit Policy Advisor Enas Abu Laben on July 11.

¶2. (C) When the license was first awarded, a Hamas-led Palestinian Authority government was in place which served as a significant reason for the GOI not to issue the requested frequency. Per the terms of the winning bid, Wataniya will owe the PA Treasury USD 355 million upon frequency allocation. (Note: Allegedly, Wataniya offered to pay such high licensing fees (the next highest bidder only offered around USD 25 million) because it planned to route Gulf calls through the West Bank on to points west. End note.)

¶3. (C) Comment: Allocation of the necessary frequency by the GOI and the resulting payment by Wataniya of licensing fees to the PA Treasury (now controlled by Prime Minister Fayyad) would provide a significant revenue boost to Fayyad's government, create technical and service jobs, and end the de facto mobile telecom monopoly currently enjoyed by Paltel-owned Jawwal. End comment.

WALLES